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JAN 13 1997

January 10, 1997

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street
Washington, DC 20554

Att: Common Carrier Bureau

Re: **Puerto Rico Telephone Company - CC Docket 96-128 Filing Requirement**

Dear Mr. Caton:

As required by the Commission's Payphone Services Order, CC Docket 96-128 (par. 183):

"Incumbent LECs must identify specific cost pools and allocators that are required to capture the nonregulated investment and expenses associated with their payphone operations. LECs must file this information with the Common Carrier Bureau by January 15, 1997".

Puerto Rico Telephone Company hereby files the requested information, which is enclosed as Annex I and Annex II.

Annex I presents accounts containing costs that can be directly assigned to Public Telephone, and therefore to the nonregulated category.

Annex II contains accounts for which allocations to the nonregulated category will be calculated using the existing Cost Pools and Allocation Bases contained in the Company's Cost Allocation Manual; however, the nonregulated allocations will increase as a result of the deregulation of Public Telephone Operations.

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*Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Page 2*

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Please stamp and return the enclosed copy of this letter to confirm receipt of this filing. Should you need additional information concerning this filing, please contact Mrs. Nancy E. Haddock at (787) 792-8766.

Sincerely yours,



Juan-Alberto Alvarado

Enclosures

*C: Federal Communications Commission
Office of Secretary
1919 M Street, N.W., Room 222
Washington, DC 20036*

*Chief, Accounting Systems Branch
FCC Common Carrier Bureau
2000 L Street, N.W., Room 812
Washington, DC 20554*

*International Transcription Service
1919 M Street, N.W., Room 246
Washington, DC 20036*

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ANNEX I
PAGE 1 OF 1

JAN 13 1997

PUERTO RICO TELEPHONE COMPANY

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CC DOCKET 96-128 PAYPHONE SERVICES ORDER

JANUARY 1997 FILING REQUIREMENT

ACCOUNTS CONTAINING COSTS DIRECTLY ASSIGNABLE TO PUBLIC TELEPHONE

<i>Account Number</i>	<i>Description</i>	<i>Cost Pools</i>	<i>Apportionment Basis</i>	<i>Notes</i>
1220	Materials & Supplies	Public Telephone (Paystations)	Directly Assigned to Nonregulated	(1)
2351	Public Telephone Terminal Equipment	Nonregulated	Directly Assigned to Nonregulated	(2)
3100	Accumulated Depreciation	Public Telephone Equipment	Directly Assigned to Nonregulated	(1)
5010	Public Telephone Revenue	Same as Account	Directly Assigned to Nonregulated	(3)
6351	Public Telephone Terminal Equipment	Nonregulated	Directly Assigned to Nonregulated	(2)
6540	Access Expenses	Nonregulated	Directly Assigned to Nonregulated	(4)
6561	Depreciation Expense	Nonregulated	Directly Assigned to Nonregulated	
6623	Customer Services	Public Phones	Directly Assigned to Nonregulated	(1)
6726	Procurement	Public Telephone (Paystations)	Directly Assigned to Nonregulated	(1)

Notes:

- (1) Changes will be made in the CAM Apportionment Basis to directly assign the Public Telephone cost pool in this account to the nonregulated category.
- (2) Regulated cost pool and Apportionment basis reflected in CAM changes filed in September 1996 for this account, will be eliminated. As a result, only a nonregulated cost pool for Public Telephone will remain in this account.
- (3) Changes will be made in the CAM Cost Pool and Apportionment Basis to reflect a direct assignment to the nonregulated category.
- (4) Account No. 6540 will be debited for the tariff rate charges to Public Telephone, for access lines and local usage. A cost pool will be established for these charges, which will be directly assigned to the nonregulated category.

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ACCOUNTS TO BE ALLOCATED TO PUBLIC TELEPHONE USING EXISTING

CAM COST POOLS AND ALLOCATORS

<i>Account Number</i>	<i>Description</i>	<i>Cost Pools</i>	<i>Apportionment Basis</i>	<i>Notes</i>
1130	Cash	No-change	No-change	(1)
1140	Special Cash Deposits	No-change	No-change	(1)
1150	Working Cash Advances	No-change	No-change	(1)
1160	Temporary Investments	No-change	No-change	(1)
1410	Other Noncurrent Assets	No-change	No-change	(1)
1439	Deferred Charges	No-change	No-change	(1)
2002	Property Held for Future Telecommunications Use	No-change	No-change	(1)
2003	Telephone Plant Under Construction Short Term	No-change	No-change	(1)
2004	Telephone Plant Under Construction Long Term	No-change	No-change	(1)
2005	Telephone Plant Adjustments	No-change	No-change	(1)
2006	Nonoperating Plant	No-change	No-change	(1)
2111	Land	No-change	No-change	(1)
2112	Motor Vehicles	No-change	No-change	(1)
2115	Garage Work Equipment	No-change	No-change	(1)
2116	Other Work Equipment	No-change	No-change	(1)
2121	Buildings	No-change	No-change	(1)
2122	Furniture	No-change	No-change	(1)
2123	Office Equipment	No-change	No-change	(1)
2124	General Purpose Computers	No-change	No-change	(1)
2681	Capital Leases	No-change	No-change	(1)
2682	Leasehold Improvements	No-change	No-change	(1)
3200	Accumulated-Depreciation Property Held for Future Telephone Use	No-change	No-change	(1)

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<i>Account Number</i>	<i>Description</i>	<i>Cost Pools</i>	<i>Apportionment Basis</i>	<i>Notes</i>
3300	<i>Accumulated-Depreciation</i>	<i>No-change</i>	<i>No-change</i>	(1)
3410	<i>Accumulated Amortization-Capital Leases</i>	<i>No-change</i>	<i>No-change</i>	(1)
3420	<i>Accumulated Amortization-Leasehold Improvements</i>	<i>No-change</i>	<i>No-change</i>	(1)
3500	<i>Accumulated Amortization-Intangibles</i>	<i>No-change</i>	<i>No-change</i>	(1)
3600	<i>Accumulated Amortization Other</i>	<i>No-change</i>	<i>No-change</i>	(1)
4040	<i>Customer Deposits</i>	<i>No-change</i>	<i>No-change</i>	(1)
4120	<i>Other Accrued Liabilities</i>	<i>No-change</i>	<i>No-change</i>	(1)
4310	<i>Other Long Term Liabilities</i>	<i>No-change</i>	<i>No-change</i>	(1)
4360	<i>Other Deferred Credits</i>	<i>No-change</i>	<i>No-change</i>	(1)
5301	<i>Uncollectible Revenues - Telecommunications</i>	<i>No-change</i>	<i>No-change</i>	(1)
5302	<i>Uncollectible Revenues - Other</i>	<i>No-change</i>	<i>No-change</i>	(1)
6112	<i>Motor Vehicles Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6115	<i>Garage Work Equipment Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6116	<i>Other Work Equipment Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6121	<i>Land and Building Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6122	<i>Furniture and Artworks Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6123	<i>Office Equipment Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6124	<i>General Purpose Computer Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)
6362	<i>Other Terminal Equipment</i>	<i>No-change</i>	<i>No-change</i>	(1)
6511	<i>Property Held for Future Telecommunications Use Expense</i>	<i>No-change</i>	<i>No-change</i>	(1)

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CAM COST POOLS AND ALLOCATORS

Account Number	Description	Cost Pools	Apportionment Basis	Notes
6512	Provisioning Expense	No-change	No-change	(1)
6534	Plant Operations Administration Expense	No-change	No-change	(1)
6535	Engineering Expense	No-change	No-change	(1)
6562	Depreciation Expense-Property Held for Future Telecommunications Use	No-change	No-change	(1)
6563	Amortization Expense-Tangible	No-change	No-change	(1)
6565	Amortization Expense-Other	No-change	No-change	(1)
6611	Product Management	No-change	No-change	(1)
6612	Sales	No-change	No-change	(1)
6613	Product Advertising	No-change	No-change	(1)
6711	Executive	No-change	No-change	(1)
6712	Planning	No-change	No-change	(1)
6721	Accounting & Finance	No-change	No-change	(1)
6722	External Relations	No-change	No-change	(1)
6723	Human Resources	No-change	No-change	(1)
6724	Information Management	No-change	No-change	(1)
6725	Legal	No-change	No-change	(1)
6728	General and Administrative	No-change	No-change	(1)
7130	Return from Nonregulated Used of Regulated Facilities	No-change	No-change	(1)
7160	Other Operating Gains & Losses	No-change	No-change	(1)
7210	Operating Investment Tax Credits - Net	No-change	No-change	(1)
7220	Operating Federal Income Tax	No-change	No-change	(1)
7240	Operating Other Taxes	No-change	No-change	(1)

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ANNEX II
PAGE 4 OF 4

PUERTO RICO TELEPHONE COMPANY

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ACCOUNTS TO BE ALLOCATED TO PUBLIC TELEPHONE USING EXISTING

CAM COST POOLS AND ALLOCATORS

<i>Account Number</i>	<i>Description</i>	<i>Cost Pools</i>	<i>Apportionment Basis</i>	<i>Notes</i>
7320	Interest Income	No-change	No-change	(1)
7330	Income for Sinking and Other Funds	No-change	No-change	(1)
7340	Allowance for Funds Used During Construction	No-change	No-change	(1)
7360	Other Nonoperating Income	No-change	No-change	(1)
7370	Special Charges	No-change	No-change	(1)
7420	Nonoperating Federal Income Taxes	No-change	No-change	(1)
7440	Nonoperating Other Taxes	No-change	No-change	(1)
7510	Interest on Funded Debt	No-change	No-change	(1)
7520	Interest Expenses Capital Leases	No-change	No-change	(1)
7540	Other Interest Deductions	No-change	No-change	(1)
7610	Extraordinary Items Credits	No-change	No-change	(1)

Note:

- (1) Same cost pools and allocators as reported in the CAM; however, the reclassification of Public Telephone to the nonregulated category will cause the allocations to nonregulated to increase.